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CURRENT EVENTS RECORDS

Letter No. 2310

April 30, 1987

194.5 MILLION
ACREAGE IN
FARM PROGRAMS

Producers have signed contracts to take nearly 55 million acres of feed grain, wheat, upland cotton, rice and extra long staple cotton acreage out of production to be eligible for benefits in the 1987 acreage limitation programs, according to the U.S. Department of Agriculture. This represents 84 percent of the 231 million 700 thousand acres of total crop acreage bases established for these commodities.

U.S. WHEAT
EXPORTS

For the third consecutive month, the U.S. wheat export forecast for 1986/87 remains unchanged from the previous month at 27 million 900 thousand tons, according to the U.S. Department of Agriculture. Wheat shipments this April increased by about 30 percent over the previous month to 1 million 700 thousand tons and represent the highest rate of shipments since October 1986. The leading destinations were Japan, 332 thousand tons; Egypt, 303 thousand tons; and Algeria, 218 thousand tons. The most significant increase in shipments has occurred in Northern Africa, where Algeria, Egypt and Tunisia have, collectively, taken nearly 2 million tons more wheat in comparison to last year.

INCREASE IN U.S.
SHARE OF GRAIN
TRADE

One little-noticed development this season is that U.S. grain exports have turned around, not only in quantity, but also in market share, according to the U.S. Department of Agriculture. The upturn projected for 1986/87 is the first increase in six seasons, and may be due to a number of factors: More competitive prices, introduction of the Export Enhancement Program in markets where subsidized competition was undercutting U.S. sales, and increased market development activity.

U.S. CORN
AND SORGHUM
EXPORTS

On the basis of the continued strength in the demand for U.S. corn, the U.S. export forecast for 1986/87 was raised by 10 percent by the U.S. Department of Agriculture to 35 million tons. This increase was partly explained by the lower-than-anticipated exportable supplies of Argentine and South African corn, but also by competitive U.S. corn prices, and possibly a reluctance by China to sell corn at the prevailing world prices. The U.S. export forecast for sorghum remains unchanged at 5 million 700 thousand tons. The U.S. is expected to account for about 67 percent of the world trade in contrast to 1985/86 when the U.S. took 57 percent of world trade.

USSR COARSE
GRAIN IMPORT

The USSR's coarse grain import forecast by the U.S. Department of Agriculture for 1986/87 was raised by 1 million 200 thousand tons, largely reflecting recent purchases of U.S. corn. These purchases are officially recorded at 2 million 900 thousand tons, but reportedly total about 4 million tons. In 1985/86 the USSR imported 13 million 500 thousand tons of coarse grains, of which 6 million 800 thousand came from the U.S. The reduced pace of purchases may be due to increased coarse grain production in the USSR; early purchases of Argentine and Yugoslavian corn; and strong competition from heavily subsidized European Community feed wheat.

SALES TO USSR

Private exporters on April 27 reported to the U.S. Department of Agriculture changes in destination from unknown destinations to the USSR for 400 thousand tons of corn for delivery during the 1986/87 marketing year and under the fourth year of the Long Term Grain Supply Agreement. Sales of wheat and corn to the USSR for delivery during the third year of the agreement totaled 6,960,700 tons, of which wheat was 152,600 tons and corn was 6,808,100 tons. In addition, sales of soybeans totaled 1,518,700 tons.

FmHA CONSOLIDATES
LOAN FUNDS

A national reserve loan fund will be created by consolidating all unused direct farm operating loan funds, according to Vance Clark, Administrator of the U.S. Department of Agriculture's Farmers Home Administration. He said, "States with large amounts of unobligated funds will share with those states where the need is greatest. Although some states have exhausted their original allocations of operating loan funds, overall we have ample funds." About \$200 million in direct operating funds may be consolidated for redistribution.

READY-TO-EAT
COMES TO CHINA

The per capita income in China rose 7 percent in 1986. This rise, coupled with an overall increase in agricultural production, is expected to shift consumption towards processed foods. The market potential is substantial, according to the U.S. Department of Agriculture. For example, in 1985 the annual consumption of noodles, bread, steamed buns, cookies, and deep-fried twisted dough sticks increased by 18 percent over 1984 to 4 million 300 thousand tons. By the year 2000, if projections hold true, ready-to-eat food will make up 30 percent of the Chinese urban diet and 20 percent of the rural diet.

AUSTRALIA
TO PAY TO
IMPROVE WHEAT

Despite nurturing an image of being a high quality wheat exporter, the Australian Wheat Board would like to further improve quality by introducing a system of payment for quality, according to the U.S. Department of Agriculture. Currently protein premiums are paid to growers of Prime Hard and Hard wheat varieties, but these only account for 30 percent of deliveries to the Wheat Board. The other 70 percent include Australian Standard White classes that must meet only minimum requirements to receive payments from the Wheat Board.

FROM OUR
TELEVISION
SERVICE

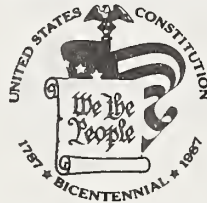
CURRENT AGRICULTURAL OUTLOOK...Production costs per planted acre for major U.S. crops are forecast to be down one to three percent in 1987 with variable expenses declining the most. USDA economist Herb Moses talks about factors contributing to the current agricultural outlook. DeBoria Janifer interviews. (181)

CURRENT DAIRY OUTLOOK...While milk production has been reduced by the Dairy Termination Program, expansion of milk production by producers not participating in the program will bring output close to year-ago levels. USDA economist James Miller examines the dairy situation and outlook. Vic Powell interviews. (182)

CURRENT EC ISSUES...The European Community's commitment to a self-sufficient protected agriculture has transformed the twelve nations into one of the world's leading exporters. USDA economist Mark Newman takes a look at the EC's Common Agricultural Policy. Vic Powell interviews. (183)

CALIFORNIA RAISIN EXPORTS...Tom Payne with the California Raisin Advisory Board talks about the success and popularity of California raisins and their use in a variety of products, both in the U.S. and abroad. Don Elder interviews. (184)

PRICING OPPORTUNITIES FOR CROPS...Darrel Good, U. of Ill., examines the market opportunities for crops, particularly corn and soybeans and offers farmers advice on taking advantages of pricing opportunities while prices of these crops are still relatively low. Gary Beaumont interviews. (185)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1561...(Weekly 13½ min documentary) Doug Wakefield explores the ways U.S. agri-businesses can become successful exporters.

AGRITAPE/FARM PROGRAM REPORT #1550...(Weekly reel of news features) USDA news highlights; USDA requests comments on 1988 wheat program; USDA requests comments for 1988 farm program provisions; Agricultural pilots; Colorado potato beetles resist chemicals.

CONSUMER TIME #1043...(Weekly reel of 2½-3 min features) Water and your houseplants; Pigeon anyone?; Financial advice for chronic overspenders; The Blueberry/Japan connection; Baby foods and microwave ovens.

USDA RADIO NEWS SERVICE...Tues, May 12, Weekly weather and crop summary; World crop production; World oilseed situation; World cotton situation; World grain situation; Soviet grain outlook; Thurs, May 14, Milk production report; Fri, May 15, Cattle on feed and Farm labor reports. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

OFF MIKE

Marla Behrends (WKAN, Kankakee, IL), NAFB Northeast Regional vice president, reports all is in readiness for the regional meeting in Kankakee May 15-17. And by the looks of the program, we agree. The program has variety, plus, including a visit to one of the largest gladiola farms in the state and a hayride, no less. If you need registration info, call Marla at 815-937-2750 ... By the time you read this, we will have traveled to Seattle and participated in the NAFB Western regional meeting and the National Food and Agriculture Exposition. Nelson Robinson (ASCS Radio and TV) will have done the same. In the meantime, we will have missed Doug Thomas program at the NAFB Southcentral regional meeting...regretfully. Still to come, besides the Kankakee outing, is the NAFB Northcentral regional meeting in Minneapolis, MN, June 4-6. It comes hot on the heels of the SE regional meeting May 29-31 in Gatlinburg, TN. Things do get busy with regional meetings this time of year, don't they? ...

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OFFICIAL BUSINESS
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Sometimes it doesn't pay to get out of bed. And that must have been how Rich Hawkins (KRVN, Lexington, NE) felt earlier this month. He went out with the station's chief engineer to help him dig up some cedar trees for a windbreak. There was poison ivy nearby, but it wasn't leafed out yet. But it nailed Rich just the same. He says the poison ivy and cedar roots must have been entwined...or something...because he got a case of poison ivy rash that wouldn't quit. Ironically, the engineer wasn't affected at all. Sympathy cards are welcome...for Rich, not the engineer ... Point of interest if you have access to Dialcom, which carries our US Department of Agriculture On Line services. Four new USDA data bases are available on Dialcom. They are Agriculture Trade, Animal Health, Agricultural Facts, and Food and Nutrition. Once you get on Dialcom, ask for the On Line menu where these new data bases are listed.


JAMES L. JOHNSON, Chief, Radio and Television Division